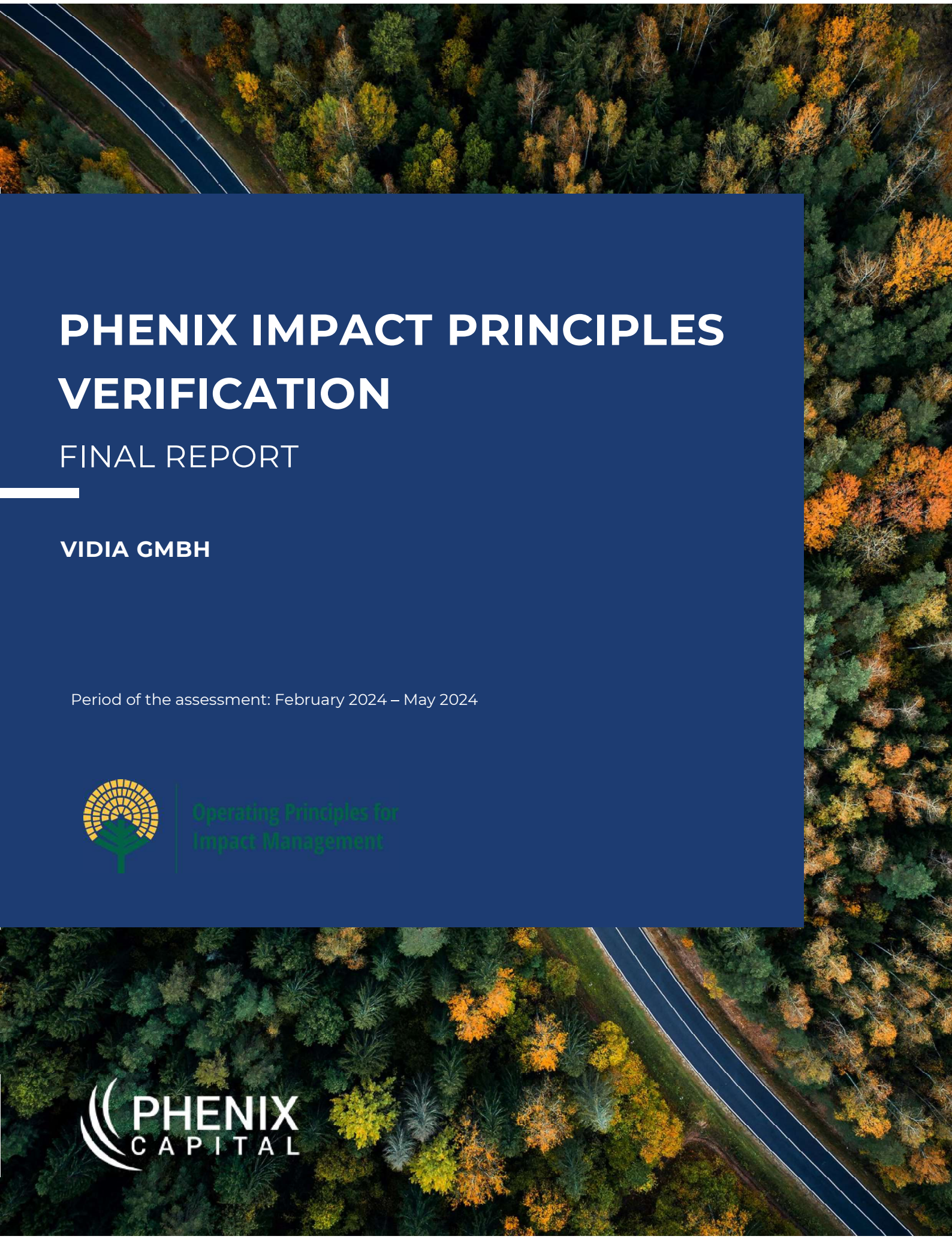


PHENIX IMPACT PRINCIPLES VERIFICATION

FINAL REPORT

VIDIA GMBH

Period of the assessment: February 2024 – May 2024

Operating Principles for Impact Management

PHENIX CAPITAL

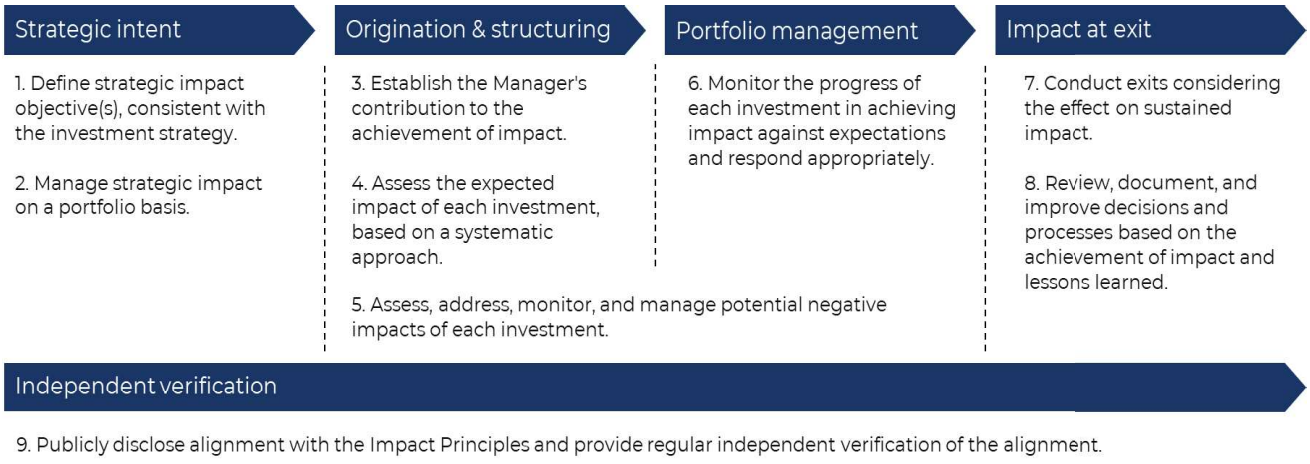
VIDIA GMBH

FUND MANAGER	Vidia GmbH
AUM COVERED BY THE IMPACT PRINCIPLES	100% of deployed capital and ~€415 million of total capital commitments
PERIOD OF ASSESSMENT	February 2024 – May 2024

FUND COVERED BY THE IMPACT PRINCIPLES	**ASSET CLASS(ES)**	**STATUS**
Vidia Climate Fund I	Private Equity	Deploying capital

OPERATING PRINCIPLES FOR IMPACT MANAGEMENT

The Operating Principles for Impact Management (the Impact Principles) are a framework to guide investors in designing and implementing their impact management systems, integrating impact considerations throughout the investment lifecycle. They are scalable and applicable to all types of impact investors and sizes of investment portfolios, assets, sectors, and geographies. The Impact Principles were developed by a range of stakeholders for managing investments to achieve measurable positive social or environmental impact alongside financial returns. The graphic below showcases the nine Impact Principles.



OVERVIEW OF THE VERIFICATION METHODOLOGY

Phenix provides a 'limited assurance' conclusion regarding a fund manager's alignment with each of the nine Impact Principles. We assess the alignment of Vidia's impact measurement and management (IMM) systems, policies, processes, and tools with these Impact Principles. Our verification process involves:

- Interview with Vidia staff,
- Review of documents and templates provided by the Vidia team, and
- Discussion during the preliminary call to share initial findings and review any additional documents and clarifications provided, where applicable.

Phenix assessed Vidia's alignment with each Impact Principle using a proprietary rubric. The rubric is developed with reference to the guidance provided by the Impact Principles, global best practices in the IMM field, and draws on Phenix's 11-year track record as an impact investment advisory firm. This report is based on the assessment that started in February 2024 and completed in May 2024.

PHENIX'S ASSESSMENT SCALE AND RATIONALE

SCALE	RATIONALE
HIGH	Strong alignment to the Impact Principles, limited need for improvement
MEDIUM	Significant alignment to the Impact Principles, some areas for improvement
LOW	Weak alignment to the Impact Principles, several areas for improvement

VERIFIER STATEMENT

Phenix reviewed Vidia's impact management and measurement systems, policies, processes, and tools to assess the degree of alignment with the Impact Principles. As of 2nd May 2024, Vidia's AUM covered by this assessment includes 100% of deployed capital and ~€415 million of total capital commitments. This applies to Vidia Climate Fund I, which is currently in the deployment phase. A summary of the assessment is provided below.

IMPACT PRINCIPLE	SCALE	SUMMARY FINDINGS
1. Impact Objectives	**HIGH**	The fund has a well-articulated impact strategy aligned with four UN SDGs and a theory of change. It reports on GHG emissions per capital invested at the investee level.
2. Portfolio-level Impact Management	**MEDIUM**	The fund has a structured scorecard to set ex-ante targets and track the GHG emissions of its investees. It conducts review meetings with its investees. The fund could adopt a more explicit impact-linked compensation structure for its staff.
3. Investor Contribution	**HIGH**	The fund evaluates investment opportunities using a proprietary scorecard, which incorporates an additionality dimension.
4. Impact Due Diligence	**MEDIUM**	The fund uses leading industry frameworks to forecast impact potential of companies, and to evaluate ESG and impact risks. These evaluations are then further reviewed by an independent firm.
5. ESG Risk Management	**HIGH**	The fund collaborates with a third-party firm to conduct ESG materiality assessments and develop tailored ESG action plans for its investees. It has protocols to address situations of ESG underperformance.
6. Impact Monitoring	**MEDIUM**	The fund has defined KPIs to assess the impact performance of its investees. It has a documented process outlining team roles and responsibilities for data collection. The fund could consider explicitly adding impact-related topics into its monthly review meetings with investees.
7. Impact at Exit	**HIGH**	The fund has a Responsible Exit policy to assess potential buyers' commitment to enhancing the impact of investees. This includes the fund's plan to conduct a risk assessment of the projected post-exit impact of its investees.
8. Impact Review	**MEDIUM**	The fund collects data for pre-defined impact KPIs for its investees and assesses their impact performance against targets. The fund has a 'Responsible Exit Policy' and continuously captures key lessons learned.

9. Independent Verification	**MEDIUM**	The fund has disclosed its alignment with Impact Principles and plans to make Phenix's 'Verifier Statement' publicly available. The fund has articulated a commitment to undergo bi-annual independent verification.

Based on the assessment findings, nothing came to the attention of Phenix Capital Group that would suggest Vidia Climate Fund I has not complied, in all material aspects, with the Impact Principles.



Dirk Meuleman, CEO Phenix Capital Group

02 May, 2024